

# Economic Incentives For Historic Preservation

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## **Landmark Historic Property Tax Abatement Program**

The owner of an income-producing building, which is listed in the National or Georgia Register of Historic Places and has been designated by the City of Atlanta as a Landmark Building or a contributing building in a Landmark District, may obtain preferential property tax treatment. The building must be in standard repair or already have undergone rehabilitation. For purposes of tax assessment for City of Atlanta taxes, excluding bonded indebtedness, the fair market values of the building and up to two acres of land surrounding it, is frozen for eight years at the level existing at the time of application and certification. In the ninth year, the fair market value is fixed at one-half the difference between the frozen value and the current fair market value. The application for this tax freeze must be filed by December 31<sup>st</sup> of the year before the freeze will go into effect. For further information, contact Karen Huebner, Atlanta Urban Design Commission, 55 Trinity Avenue, SW, Suite 3400, Atlanta, Georgia 30335-0331 (404-330-6200) or khuebner@atlantaga.gov.

## **Rehabilitated Historic Property Tax Abatement Program**

The owner of a building, which qualifies for listing in the Georgia Register of Historic Places and has undergone a major rehabilitation initiated after January 1, 1989, may obtain preferential property tax treatment. For purposes of tax assessment for City of Atlanta taxes, excluding bonded indebtedness, the fair market value is frozen at the pre-rehabilitation level for a period of eight years. In the ninth year, the fair market value is fixed at one-half the difference between the frozen value and the current fair market value. Qualifying rehabilitations must meet the standards promulgated by the Department of Natural Resources and must have increased the fair market value of the building by not less than 50% for owner-occupied residential real property, or not less than 100% for income-producing real property. The application for this tax freeze must be filed by December 31<sup>st</sup> of the year before the freeze will go into effect. For further information, contact Martha Marcille, Tax Incentives Coordinator, at the Georgia Department of Natural Resources, Historic Preservation Division, 47 Trinity Avenue, SW, Suite 414-H, Atlanta, Georgia 30334-9006 (404-651-5566) or martha\_marcille@dnr.state.ga.us.

## **Federal Tax Credit Program**

If a property is listed on the National Register of Historic Places, the owner or long-term lessee of an income-producing property is entitled to an investment tax credit of up to 20% of the qualified rehabilitation expenses of a substantial rehabilitation performed in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. All buildings, sites and districts designated by the City of Atlanta are required to meet the criteria for listing on the National Register of Historic Places. For further information, contact the Georgia Department of Natural Resources at the address and telephone number above.

## **State Income Tax Credit Program**

The owner of a building, which qualifies for listing in the Georgia Register of Historic Places and is planning to start a substantial rehabilitation on or after January 1, 2004, is eligible to apply for the credit. The program provides property owners of historic homes who complete a DNR-approved rehabilitation the opportunity to take 10% of the rehabilitation expenditures as a state income tax credit up to \$5,000. If the home is located in a target area, the credit may be equal to 15% of the rehabilitation expenditures up to \$5,000 and for any other certified structure, the credit may be equal to 20% of rehabilitation expenses up to \$5,000. DNR-approved rehabilitations must meet the standards promulgated by the Department of Natural Resources and must have qualified rehabilitation expenses that exceed the lesser of \$25,000 or 50% of the adjusted basis of a historic home used as a principal residence, \$5,000 for a historic home used as a principal residence in a target area, or the greater of \$5,000 or the adjusted basis of the building for any other certified historic structure. Further, at least 5% of the qualified rehabilitation expenses must be allocated to work completed on the exterior of the structure. For further information, contact the Georgia Department of Natural Resources at the address and telephone number above.

### **City/County Enterprise Zone Tax Abatement Program**

Ad valorem property tax exemptions covering a ten-year period can be obtained by owners of qualifying historic multi-family and non-residential structures located in enterprise zone eligible areas. There is no minimum acreage requirements for proposed zones. Structures suitable for rehabilitation/renovation must provide a minimum of four multi-family housing units. For further information, contact the Enterprise Zone Planner at the Atlanta Bureau of Planning, 55 Trinity Avenue SW, Suite 3350, Atlanta, Georgia 30335-0310 (404-330-6145).

### **Development Impact Fee Exemption**

The owner of a city-designated Landmark Building or a contributing in a Landmark District, which will undergo a rehabilitation or conversion, may obtain a 100% exemption from the payment of Development Impact Fees for building permits associated with the rehabilitation/conversion project. Such an exemption must be obtained prior to the issuance of a Building Permit. For further information, contact Chuck Adair, Atlanta Bureau of Buildings, 55 Trinity Avenue SW, Suite 3900, Atlanta, Georgia 30335-0309 (404-330-6153) or [cadair@atlantaga.gov](mailto:cadair@atlantaga.gov).

### **Façade Easements**

A preservation easement is a legally enforceable commitment by a property owner to preserve the facades of a historic structure so that its exterior architectural features remain unchanged in perpetuity. Properties must be National Register-eligible structures. Federal and State income tax deductions can be taken as well as the possibility of other tax advantages related to a property's decrease in value as a result of an easement donation. For further information, contact Easements Atlanta, Inc. c/o the Atlanta Preservation Center, 327 St. Paul Avenue, SE, Atlanta, Georgia 30312 (404-688-3353)

## **TRANSFER OF DEVELOPMENT RIGHTS**

### **Section 16-28.023 - Code of Ordinances of the City of Atlanta**

- (1) *Intent:* For the purpose of preserving buildings of historic-cultural significance.  
Upon the joint application of parties of interest proposing the transfer of excess development rights of an historic structure, the council may permit any development of such lots if in close proximity to each other. Such development shall not alter the effect of regulations applicable in the district as a whole but may alter the effect on individual lots within the area of agreement.
- (2) *Application for Permit:* In addition to general procedures and requirements for special use permits, the following requirements and limitations shall apply. Applicants shall be owners or agents of lots located in a compact and regular pattern which is logical in terms of the form of development proposed.
  - (a) *Plans required; matters to be demonstrated:* Such applicants shall propose in a plan submitted to build or permit building on such lots in a manner which, because of the location of lot lines and/or the pattern of individual ownership, would not be permitted under generally applicable regulations applying to individual lots and yards and demonstrate the purposes of historic preservation.
  - (b) *Agreement between property owners with enforcement running to the city:* The applicants shall agree to bind themselves and their successors in title, individually and collectively, to maintain the pattern of development as a whole to ensure there will be conformity with applicable zoning regulations, and that enforcement of such agreement shall include the city. No such agreement shall be accepted without approval of the department of law, and no such special use permit shall be issued prior to such approval.
- (3) *Action by the Council:* If the council finds that in fact the area of agreement is compatible, regular and logical in relation to the form of development proposed, that the proposed development for the area of agreement as a whole conforms to the intent and requirements set forth above and that the proposed agreement assures further protection of public interest and achievement of public objectives to the same or a higher degree than would application of the regulations to the individual properties, it may approve the special use permit, provided appeal of the proposed agreement has been obtained from the department of law. No such permit shall have the effect of diminishing the requirements or increasing the maximum allowances of this part as applied to the changes in the effect of the regulations on specified individual lots or locations within the area of agreement, so long as the overall balance remains in accord with regulations generally applicable.
- (4) *Recording Agreement:* At the time of issuance of the special use permit, it shall be filed with the clerk of the council, the bureau of buildings, and the clerk of the Superior Court of Fulton/DeKalb County, and notations shall be made on the official zoning map, for future guidance in administration and as a public record.
- (5) *Changes in Development Pattern or Agreement:* The pattern of development and the agreement between the owners shall not be changed except by approval of a new special use permit. (Ord. No. 1981-95A, Sec. 1, 12/19/80)